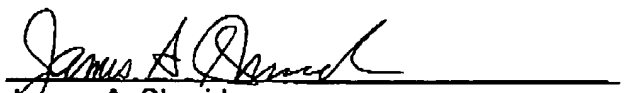
REMARKS

This amendment is submitted in response to the office action dated June 30, 2005. Reconsideration and allowance of the claims is requested. In this office action, the claims are rejected as unpatentable over Ginter (US 5,892,900). By this response, applicant has made technical corrections to claims 2 and 3, submits herewith a new claim 28.

As to the merits of the Office Action, applicant respectfully disagrees with the position taken by the Examiner in rejecting the claims, especially as spelled out at paragraphs 3-6, and especially paragraph 6. To allow the user who acquired the licensed content to play in the movie theater, the movie theater has to have the same or compatible electronic appliances 600 to play the content and presumably the movie theater also need to subscribe the VDE system with the user license key. In contrast, the owner of the PEAD doesn't own any content or the license of the content; the movie theater gets their content from a movie distributor, while the user has no license right or other ownership interest at all. The PEAD only proves the purchasing of a ticket, not a license of content neither require any VDE to view the movie in the theater. This is in sharp contrast of VDE system which require a user to get a license (key) of the content through their proprietary system which is physically required during the playback. A movie theater does not require any key from the purchaser's PEAD to play movie to its audience.

In view of these distinctions, reconsideration and allowance of the claims is requested.

Respectfully submitted,



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